

Listing and Amendments to the Claims

This listing of claims will replace all prior versions, and listings, of claims in the application:

Claims 1-30. (Cancelled)

31. (Currently Amended) A method of determining life insurance policy value represented as a plurality of current insurance units having a premium invested in at least one investment instrument, comprising:

charging a one time administration fee to the premium prior to investing;

determining a net asset value of said insurance units at a known time based on a performance return of each of said investment instruments; and

adjusting, at a selected date, said current number of said insurance units by a number of insurance units corresponding to a change in value of each of said investment instruments reduced by a corresponding performance fee, ~~based on said net asset value~~, wherein said performance fee is a ~~known~~ percentage of said change in value of each of said investment instruments if said change in investment value is positive, and wherein said performance fee is zero if said change in investment value is negative, and wherein said net asset value of said insurance units is determined independent of said performance fee.

32. (Original) The method as recited in claim 31 wherein said performance fee includes a fee for investment management and performance.

33. (Original) The method as recited in claim 31 wherein said selected date corresponds to an anniversary of said policy.

34. (Currently Amended) A method for determining a life insurance policy value

comprising the steps of: (a) calculating a gross net asset value of an insurance unit based on gross investment performance; (b) deducting an investment expense from the gross net asset value to obtain a final net asset value of the insurance unit; (c) calculating a cost of insurance; (d) calculating a number of insurance units for the cost of insurance charge; (e) calculating an investment gain or loss by subtracting the cost of insurance charge from gross investment earnings; and if the investment gain is positive then calculating an incurred performance fee; otherwise setting the performance fee to zero ~~a fixed value~~.

35. (New) The method of claim 34, further comprising the step of setting a surrender charge equal to the incurred performance fee.

36. (New) The method of claim 35, further comprising, if the date is a policy anniversary, determining a number of insurance units equal to the incurred performance fee, deducting the determined number of insurance units from a total number of units, and resetting the surrender charge to zero.